

## **United Kingdom**

### **Manufacturing PMI**

Released monthly, on the first business day after the month ends. Purchasing Managers Index (PMI) measures level of a diffusion index based on surveyed purchasing managers in the manufacturing industry. Survey of about 600 purchasing managers asks respondents to rate the relative level of business conditions including employment, production, new orders, prices, supplier deliveries, and inventories. It's a leading indicator of economic health - businesses react quickly to market conditions, and their purchasing managers hold perhaps the most current and relevant insight into the company's view of the economy. Above 50.0 indicates industry expansion, below indicates contraction.

### **Services PMI**

Released monthly, on the third business day after the month ends. Measures the activity level of purchasing managers in the services sector. Survey of purchasing managers asks respondents to rate the relative level of business conditions including employment, production, new orders, prices, supplier deliveries, and inventories. It gives an indication about the health of the services industry in the UK. Traders watch these surveys closely as purchasing managers usually have early access to data about their company's performance, which can be a leading indicator of overall economic performance.

### **Prelim GDP**

Released quarterly, about 24 days after the quarter ends. Gross Domestic Product measures change in the inflation-adjusted value of all goods and services produced by the economy. The broadest measure of economic activity and the primary gauge of the economy's health. There are 3 versions of GDP released a month apart - Preliminary, Revised, and Final. The Preliminary release is the earliest and thus tends to have the most impact. Above 50.0 indicates industry expansion, below indicates contraction.

### **CPI**

Released monthly, about 15 days after the month ends. The Consumer Price Index (CPI) measures change in the price of goods and services purchased by consumers. The average price of various goods and services are sampled and then compared to the sampling done a year earlier. It is a key way to measure changes in purchasing trends and inflation in the UK. This is considered the UK's most important inflation data because it's used as the central bank's inflation target. One of the most common ways to fight inflation is raising the cash rates, which is, in turn, good for currency. Regular CPI includes everything while Core CPI excludes volatile items such as gasoline. Core CPI is what traders tend to care about the most.

## **Retail Sales**

Released monthly, about 20 days after the month ends. Retail Sales is a monthly measurement of all goods sold by retailers based on a sampling of retail stores of different types and sizes in the UK. It is an important indicator of consumer spending and also correlated to consumer confidence and considered as a pace indicator of the UK economy. Strong retail sales mean healthy economy and confident consumers. This also means that most likely inflation is going to pick up, and the government will be forced to raise interest rates and that is good for currency.

## **Asset Purchase Facility**

Released monthly with the Interest Rate. Other names are Quantitative Easing Programme and Money Printing Programme. Total value of money the BOE will create and use to purchase assets in the open market. It increases demand for bonds which tends to lower long-term interest rates. MPC members vote on the total amount of money to create for the program. Generally speaking, the more money is printed the lower is the currency value.

## **Interest Rate**

Released monthly. Interest rate at which banks lend balances held at the BOE to other banks. MPC (Monetary Policy Committee) members vote on where to set the rate. The individual votes are published 2 weeks later in the MPC Meeting Minutes. When there is a change in rates the MPC will also issue a statement. The rate decision is often priced in the market so it tends to be overshadowed by the MPC Rate Statement which is focused on the future. The decision on where to set interest rates depends mostly on growth outlook and inflation. The primary objective of the central bank is to achieve price stability. The higher the government interest rate, the higher are the bank rates, so it becomes more expensive for people to borrow money for houses, cars, business equipment, et cetera. That cools down the economy and reduces inflation. Higher interest rate attracts investors to buy the currency, which increases its value. When the rise in interest rate (rate hike) is expected, but official rate is kept unchanged, traders will sell the currency. Vice versa situation is another option.

## **MPC Meeting Minutes**

Released monthly, 13 days after the Official Bank Rate is announced. The breakdown of the MPC members' interest rate votes tends to be the most important part of the minutes. The vote is reported in an 'X-X-X' format - the first number is how many voted to increase rates, the second number is how many voted for a rate reduction, and the third is how many voted to hold rates. It's a detailed record of the BOE MPC's most recent meeting, providing in-depth insights into the economic conditions that influenced their vote on where to set interest rates, and offering clues on the outcome of future votes. As for MPC comments, more hawkish than expected are good for currency.

## **Australia**

### **Employment Change & Unemployment Rate**

Released monthly, about 10 days after the month ends. Change in the number of employed people during the previous month. This is vital economic data released shortly after the month ends. The combination of importance and earliness makes for hefty market impacts. Rate is a percentage of the total work force that is unemployed and actively seeking employment during the previous month. Although it's generally viewed as a lagging indicator, the number of unemployed people is an important signal of overall economic health because consumer spending is highly correlated with labor-market conditions. Higher than expected change figure is positive for currency, while higher than expected unemployment percentage is negative.

### **GDP**

Released quarterly, about 65 days after the quarter ends. GDP (Gross Domestic Product) is a change in the inflation-adjusted value of all goods and services produced by the economy. It's the broadest measure of economic activity and the primary gauge of the economy's health.

### **Retail Sales**

Released monthly, about 30 days after the month ends. This is the earliest look at vital consumer spending data. It's the primary gauge of consumer spending, which accounts for the majority of overall economic activity. The Retail Sales is a monthly measurement of all goods sold by retailers based on a sampling of retail stores of different types and sizes in Australia. It is an important indicator of consumer spending and also correlated to consumer confidence and considered as a pace indicator of the Australian economy.

### **CPI**

Released quarterly, about 25 days after the quarter ends. The Consumer Price Index measures the change in the price of goods and services from the perspective of the consumer. The average price of various goods and services are sampled and then compared to the previous sampling. Consumer prices account for a majority of overall inflation. Inflation is important to currency valuation because rising prices lead the central bank to raise interest rates out of respect for their inflation containment mandate. It is a key way to measure changes in purchasing trends and inflation in Australia.

### **Interest Rate & Statement**

Released on the first Tuesday of the month, excluding January. The Reserve Bank of Australia's monthly interest rate statement describes its latest decision regarding changes to the country's short term interest rates, monetary policy, and the direction of the economy. Short term interest rates are the key factor in currency valuation. The rate decision is often priced in the market so it tends to be overshadowed by the RBA Rate Statement which is focused on the future. A dovish statement could push AUD down against its rivals, while hawkish statement could boost the currency.

### **RBA Meeting Minutes**

11 times per year, 2 weeks after the Cash Rate is announced. It's a detailed record of the RBA Reserve Bank Board's most recent meeting, providing in-depth insights into the economic conditions that influenced their decision on where to set interest rates. More hawkish than expected are good for currency.

## United States

### **ADP NonFarm Employment**

Released monthly, about 2 days after the month ends. Automatic Data Processing estimates the change in the number of employed people during the previous month, excluding the farming industry and government. It leads the government-released NFP data by 2 days. The nonfarm payroll statistic is used to assist government policy makers and economists determine the current state of the economy and predict future levels of economic activity. Actual number being bigger than the forecast is good for currency.

### **Non Farm Payrolls & Unemployment Rate**

Released monthly, usually on the first Friday after the month ends. NFP measures the change in the number of people employed during the previous month, excluding the farming industry. This is vital economic data released shortly after the month ends. The combination of importance and earliness makes for hefty market impacts. Higher than expected change figure is positive for currency, while higher than expected unemployment percentage is negative.

### **Advance GDP**

Released quarterly, about 30 days after the quarter ends. The Gross Domestic Product (GDP) is the broadest measure of economic activity and is a key indicator for the economy's health. While this is q/q data, it's reported in an annualized format (quarterly change x4). The 'Previous' listed is the 'Actual' from the Advance release and therefore the 'History' data will appear unconnected. There are 3 versions of GDP released a month apart - Advance, Preliminary, and Final. The Advance release is the earliest and thus tends to have the most impact.

### **Core CPI**

Released monthly, about 15 days after the month ends. The Core Consumer Price Index (CPI) measures the changes in the price of goods and services, excluding food and energy. It is a key way to measure changes in purchasing trends and inflation. Inflation is important to currency valuation because rising prices lead the central bank to raise interest rates out of respect for their inflation containment mandate.

### **Core Retail Sales**

Released monthly, about 14 days after the month ends. Core Retail Sales measures the change in the total value of sales at the retail level in the U.S., excluding automobiles. It is an important indicator of consumer spending and is also considered as a pace indicator for the U.S. economy.

### **FOMC Rate & Statement**

Released 8 times per year. US Federal Open Market Committee rate, interest rate at which banks lend balances held at the Federal Reserve to other banks overnight. Short term interest rates are the key factor in currency valuation. The rate decision is often priced in the market so it tends to be overshadowed by the FOMC Statement which is focused on the future. Rate Statement is the primary tool the FOMC uses to communicate with investors about monetary policy. It contains the outcome of their vote on interest rates and other policy measures, along with commentary about the economic conditions that influenced their votes. Most importantly, it discusses the economic outlook and offers clues on the outcome of future votes. The FOMC usually changes the statement slightly at each release. It's these changes that traders focus on. Rate hike and hawkish comments are positive for the currency.

## Canada

### **Employment Change & Unemployment Rate**

Released monthly, about 8 days after the month ends. Job creation is an important leading indicator of consumer spending, which accounts for a majority of overall economic activity. This is vital economic data released shortly after the month ends. The combination of importance and earliness makes for hefty market impacts. Unemployment rate is the percentage of the total work force that is unemployed and actively seeking employment during the previous month. Although it's generally viewed as a lagging indicator, the number of unemployed people is an important signal of overall economic health because consumer spending is highly correlated with labor-market conditions. Higher than expected change figure is positive for currency, while higher than expected unemployment percentage is negative.

### **GDP**

Released monthly, about 60 days after the month ends. Gross Domestic Product is a change in the inflation-adjusted value of all goods and services produced by the economy. It's the broadest measure of economic activity and the primary gauge of the economy's health. Canada is unique in that they release fresh GDP data on a monthly basis. A quarterly GDP figure is also released, however it's merely a summation of the monthly data.

### **Core CPI**

Released monthly, about 20 days after the month ends. Change in the price of goods and services purchased by consumers, excluding the 8 most volatile items. It is a key way to measure changes in purchasing trends and inflation. Inflation is important to currency valuation because rising prices lead the central bank to raise interest rates out of respect for their inflation containment mandate.

### **Core Retail Sales**

Released monthly, about 50 days after the month ends. Change in the total value of sales at the retail level, excluding automobiles. Automobile sales account for about 20% of Retail Sales, but they tend to be very volatile and distort the underlying trend. The Core data is therefore thought to be a better gauge of spending trends.

### **BoC Rate & Statement**

Released 8 times per year. The Bank of Canada (BOC) decision on short term interest rate, at which major financial institutions borrow and lend overnight funds between themselves. The decision on where to set interest rates depends mostly on growth outlook and inflation. The primary objective of the central bank is to achieve price stability. The rate decision is often priced in the market so it tends to be overshadowed by the BOC Rate Statement which is focused on the future. Rate Statement is the primary tool the BOC uses to communicate with investors about monetary policy. It contains the outcome of their decision on interest rates and commentary about the economic conditions that influenced their decision. Most importantly, it discusses the economic outlook and offers clues on the outcome of future decisions. Rate hike and hawkish comments are positive for the currency.

## **New Zealand**

### **Employment Change & Unemployment Rate**

Released quarterly, about 35 days after the quarter ends. Change in the number of employed people. Job creation is an important leading indicator of consumer spending, which accounts for a majority of overall economic activity. Although this data is released extremely late, it's the earliest indication of the employment situation and tends to create hefty market impacts. Unemployment rate is the percentage of total work force that is unemployed and actively seeking employment during the previous quarter. Although it's generally viewed as a lagging indicator, the number of unemployed people is an important signal of overall economic health because consumer spending is highly correlated with labor-market conditions. Higher than expected change figure is positive for currency, while higher than expected unemployment percentage is negative.

### **GDP**

Released quarterly, about 85 days after the quarter ends. Gross Domestic Product is a change in the inflation-adjusted value of all goods and services produced by the economy. It's the broadest measure of economic activity and the primary gauge of the economy's health.

### **CPI**

Released quarterly, about 15 days after the quarter ends. The Consumer Price Index measures the change in the price of goods and services from the perspective of the consumer. The average price of various goods and services are sampled and then compared to the previous sampling. Consumer prices account for a majority of overall inflation. Inflation is important to currency valuation because rising prices lead the central bank to raise interest rates out of respect for their inflation containment mandate. This is extremely late relative to inflation data from other countries, but it's the primary gauge of consumer prices and tends to create hefty market impacts.

### **Core Retail Sales**

Released quarterly, about 45 days after the quarter ends. Change in the total value of inflation-adjusted sales at the retail level, excluding automobiles and gas stations. Automobile and gas station sales account for about 20% of Retail Sales, but they tend to be volatile and distort the underlying trend. The Core data is therefore thought to be a better gauge of spending trends.

### **Official cash rate**

Released 8 times per year. Interest rate at which banks lend balances held at the Reserve Bank of New Zealand (RBNZ) to other banks. Short term interest rates are the key factor in currency valuation. The rate decision is often priced in the market so it tends to be overshadowed by the RBNZ Rate Statement which is focused on the future. Rate statement is among the primary tools the RBNZ uses to communicate with investors about monetary policy. It contains the outcome of their decision on interest rates and commentary about the economic conditions that influenced their decision. Most importantly, it discusses the economic outlook and offers clues on the outcome of future decisions. Rate hike and hawkish comments are positive for the currency.

## **Euro Zone**

### **Minimum Bid Rate**

Released monthly. Interest rate on the main refinancing operations that provide the bulk of liquidity to the banking system. The 6 members of the European Central Bank (ECB) Executive Board and the 17 governors of the Euro area central banks vote on where to set the rate. The split of votes is not publicly revealed. The rate decision is often priced in the market so it tends to be overshadowed by the ECB Press Conference held 45 minutes later. Rate hikes are positive for the currency.

### **ECB Press Conference**

Scheduled monthly, about 45 minutes after the Minimum Bid Rate is announced. The press conference is about an hour long and has 2 parts - first a prepared statement is read, then the conference is open to press questions. The questions often lead to unscripted answers that create heavy market volatility. The press conference is webcasted on the ECB website with a slight delay from real-time. Press conference is the primary method the ECB uses to communicate with investors regarding monetary policy. It covers in detail the factors that affected the most recent interest rate and other policy decisions, such as the overall economic outlook and inflation. Most importantly, it provides clues regarding future monetary policy. Hawkish comments are positive for the currency.